



# Health Care Reform

Liz Savage

Invest in People and Share in the Profits  
The 15th annual Indiana Conference for People with Disabilities

Indianapolis, Indiana  
November 17, 2009

# Purpose of 2009 Health Reform

- Cover the uninsured
- Lower skyrocketing health care costs
- Change the system's focus from sickness to wellness by emphasizing prevention
- Address shortage of health care providers, primarily physicians.

# House Bill – H.R. 3962

- Affordable Health Care for America Act
- Passed: 220-215
- One Republican Vote
- 39 Democrats voted against

# **Known Differences Between House and Senate Bills**

- Partial Financing:
- House: Surtax on individuals earning more than \$500,000 per year / Couples: \$1 million
- Unpopular in Senate

# Known Differences Between House and Senate Bills'

- Partial Financing:
- Senate:
- 40% Excise Tax on “Cadillac” Insurance Plans that cost \$8,000 for an individual and \$21,000 for a family
  - Decreases health care utilization

# House Bill – H.R. 3962

- Universal mandate
- New National Health Insurance Exchange
- Subsidies for Low Income People
- Private Plans, Public Option, Non-Profit Co-op

# **H.R. 3962: Key Disability Provisions**

- Major Insurance Market Reforms
- Prohibits:
- Pre-Existing Condition Exclusions
- Discrimination Based on Health Status
- Annual and Lifetime Caps
- Policy Rescissions -- Requires Guaranteed Issue

# **H.R. 3962: Key Disability Provisions**

- Rehabilitation and Habilitation services, durable medical equipment (e.g. wheelchairs) covered in new Insurance Exchange's benefits package
- Includes “disability” for purpose of health disparities
- Requires development of standards for accessible medical equipment



# **H. R. 3962: Medicaid Provisions**

- Expands eligibility to 150% federal poverty level (approximately \$33,000 for a family of four) – with significant federal funding
- Increases reimbursement rates for primary care providers to Medicare rates with significant federal funding
- Prohibits cost sharing for prevention services

# **H.R. 3962: Medicaid, cont.**

- Additional Aid for States:
- Six month extension on the American Recovery and Reinvestment Act's increase to the federal share of Medicaid spending (FMAP)

# Long Term Services and Supports

- Aging and disability communities working together
  - Disability and Aging Communities: Financing Principles for Long Term Services and Supports
  - Joint Letter to President Obama (96 national orgs)
  - Two major goals:
    - National LTSS insurance program – avoid impoverishment
    - Improve Medicaid – eliminate institutional bias

# **Community Living Assistance Services and Supports (CLASS) Act S. 697/H.R. 1721**

- New national LTSS insurance program
- Based on voluntary payment (opt-out) of premiums – vesting in 5 years
- Cash benefits for maximum consumer and family control
- Eligibility based on functional need
- No means-testing – no need for lifetime impoverishment
  - individual can continue to work
- Program can pay for itself AND take the LTSS pressure off the Medicaid program
- Passed in Senate HELP Committee bill
- Working for inclusion in merged Senate bill
- Included in House bill
- Issues

# **CLASS Act. cont:**

- Passed in Senate HELP Committee bill
- Working for inclusion in merged Senate bill
- Included in House bill
- Issues

# **Community Choice Act (CCA)**

## **S. 683 / H.R. 1670**

- Institutional Bias within Medicaid
  - Nursing homes mandatory
  - Community-based services optional
- Americans do not have an equal choice
- Long waiting lists for community-based services and supports

# Community Choice Act, cont:

- Would mandate Medicaid community-based attendant services and supports
  - Covers supervision, cueing, or hands-on assistance for a broad range of daily activities
- Cost estimates too high

# Community First Choice Option

- First Step:
- State option rather than a mandate
- Same benefit as CCA
- Issues – Effective date, Sunset
  - Included in Finance Committee bill
  - Working to include in merged Senate bill
  - Sense of the Congress in House bill



# Challenges to Passing Health Reform Legislation

- Paying for comprehensive reform
- Inclusion of a public plan to compete with private insurance plans, possibly non-profit co-ops.
- Determining which benefits will be included for the uninsured.
- Congressional Jurisdiction – multiple bills need to be melded into one
- Republicans and some Conservative & Liberal Democrats Opposed

# Challenges, cont:

- Appease moderate & liberal Democrats
- Bi-partisanship
- 60 Senate votes
- Deficit Neutral/Spending Cuts
- Public response

# Status

- House passage
- Senate: Two Committees' bills Merged - Awaiting Congressional Budget Office Estimate
- Debate starts after Thanksgiving?
- Conference or "Ping-Pong"
- New deadline: Late January, 2010